
Financial Statement
1998-99

Prairie West
Regional College

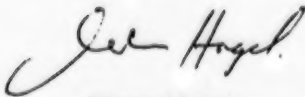
Letter of Transmittal

The Honourable J. Wiebe
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to submit for your consideration the Financial Statements of the
Prairie West Regional College for the year ending June 30, 1999.

Respectfully submitted:

A handwritten signature in cursive script, appearing to read "Glenn Hagel".

Glenn Hagel
Minister of Post-Secondary Education and Skills Training

PRAIRIE WEST REGIONAL COLLEGE

Auditor's Report

Financial Statements

June 30, 1999

AUDITOR'S REPORT

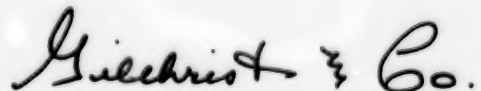
To the Members of the Board
of the Prairie West Regional College

We have audited the statement of financial position of the Prairie West Regional College as at June 30, 1999 and the statements of operations, changes in fund balances and changes in financial position for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 1999 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Rosetown, Saskatchewan
September 21, 1999



Certified Management Accountant

PRAIRIE WEST REGIONAL COLLEGE

Statement of Financial Position

June 30, 1999

	<u>1999</u>			<u>1998</u>
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Total</u>
Assets:				
Current assets:				
Cash	\$ 1,200,762	-	1,200,762	1,103,410
Accounts receivable (note 3)	150,942	-	150,942	250,856
Prepaid expense	<u>17,437</u>	<u>-</u>	<u>17,437</u>	<u>33,979</u>
	1,369,141	-	1,369,141	1,388,245
Capital assets (note 4)	<u>-</u>	<u>268,498</u>	<u>268,498</u>	<u>307,600</u>
	\$ 1,369,141	268,498	1,637,639	1,695,845
	=====	=====	=====	=====
Liabilities:				
Current liabilities:				
Accounts payable (note 5)	\$ 54,674	-	54,674	486,365
Accrued salaries and vacation payable	61,415	-	61,415	63,588
Deferred revenue (note 6)	<u>684,737</u>	<u>-</u>	<u>684,737</u>	<u>322,232</u>
	800,826	-	800,826	872,185
Fund Balances:				
Invested in capital assets	-	268,498	268,498	307,600
Externally restricted	-	-	-	-
Internally restricted as reserves (note 7)	205,000	-	205,000	205,000
Unrestricted	<u>363,315</u>	<u>-</u>	<u>363,315</u>	<u>311,060</u>
	\$ 1,369,141	268,498	1,637,639	1,695,845
	=====	=====	=====	=====

APPROVED:

Earl Nostlinger
Chairman

See accompanying notes to financial statements

PRAIRIE WEST REGIONAL COLLEGE

Statement of Operations

For the year ended June 30, 1999

	Operating		Capital		Total	
	(Note 8) Budget	1999	(Note 8) Budget	1999	(Note 8) Budget	1999
Revenues (Schedule 1)						
Saskatchewan Post-Secondary Education and Skills Training \$	1,970,409	1,873,550	-	-	1,970,409	1,873,550
Federal Government	192,000	549,005	-	-	192,000	549,005
Other Revenue	690,708	786,550	-	-	690,708	786,550
Total revenues	2,853,117	3,209,105	-	-	2,853,117	3,209,105
Expenses (Schedule 2)						
Contractual and Professional Serv.	869,329	810,604	-	-	869,329	810,604
Rentals	247,047	257,113	-	-	247,047	257,113
Repairs and Maintenance	19,700	5,592	-	-	19,700	5,592
Amortization	-	-	-	-	-	-
Operating Expenses (Schedule 3)	417,038	456,176	88,600	101,122	88,600	101,122
Personal Services	1,298,806	1,570,387	-	-	417,038	456,176
(Gain) loss on disposal of fixed assets	-	-	-	(5,042)	1,298,806	1,570,387
Total expenses	2,851,920	3,099,872	88,600	96,080	2,940,520	3,195,952
Excess (deficiency) of revenue over expenses	1,197	109,233	(88,600)	(96,080)	(87,403)	13,153

See accompanying notes to financial statements

PRAIRIE WEST REGIONAL COLLEGE

Statement of Changes in Financial Position

For the year ended June 30, 1999

	<u>1999</u>	<u>1998</u>
Cash from operating activities:		
Excess of revenue over expenses	\$ 13,153	158,577
Add:		
Amortization	101,122	82,763
(Gain) loss on sale of fixed assets	(5,042)	13,325
Net change in non-cash working capital	<u>45,097</u>	<u>475,228</u>
	<u>154,330</u>	<u>729,893</u>
Investing activities		
Purchase of capital assets	(62,020)	(185,774)
Proceeds from disposal of capital assets	<u>5,042</u>	<u>23,490</u>
	<u>(56,978)</u>	<u>(162,284)</u>
Increase in cash during year	97,352	567,609
Cash at beginning of year	<u>1,103,410</u>	<u>535,801</u>
Cash at end of year	\$ 1,200,762	1,103,410
	=====	=====

See accompanying notes to financial statements

PRAIRIE WEST REGIONAL COLLEGE

Statement of Changes in Fund Balance

For the year ended June 30, 1999

	Invested in Capital assets	Externally restricted assets	Internally restricted assets	Unrestricted	1999	1998
Balance at beginning of year	\$ 307,600	-	205,000	311,060	823,660	665,083
Excess (deficiency) of revenue over expenses	(96,080)	-	-	109,233	13,153	158,577
Appropriated to reserves	-	-	-	-	-	-
Interfund transfers	<u>56,978</u>	<u>-</u>	<u>-</u>	<u>(56,978)</u>	<u>-</u>	<u>-</u>
Balance at end of year	\$ 268,498	-	205,000	363,315	836,813	823,660

See accompanying notes to the financial statements

PRAIRIE WEST REGIONAL COLLEGE

Notes to Financial Statements

For the year ended June 30, 1999

1. Purpose and Authority

The Prairie West Regional College offers educational services and programs under the authority of Section 14 of The Regional Colleges Act.

The Board of the Prairie West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of The Regional Colleges Act and its regulations.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the college are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(1) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(2) Capital Fund

The capital fund reflects the equity of the College in capital assets after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense.

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

PRAIRIE WEST REGIONAL COLLEGE

Notes to Financial Statements

For the year ended June 30, 1999

(c) **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	5%
Furniture	10%
Office equipment	20%
Machinery	20%
Computer equipment	33%

3. **Accounts Receivable**

Accounts receivable are composed of the following:

	<u>1999</u>	<u>1998</u>
Saskatchewan Post-Secondary		
Education and Skills Training	\$ 14,099	109,960
Government of Saskatchewan - other	1,017	1,345
Regional Colleges	14,853	15,484
S.I.A.S.T.	8,313	2,265
Federal government	32,705	-
Other	<u>79,955</u>	<u>121,802</u>
	\$ 150,942	250,856
	=====	=====

4. **Capital Assets**

	<u>1999</u>			<u>1998</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 33,000	-	33,000	33,000
Buildings	181,910	79,952	101,958	111,054
Furniture	38,242	7,566	30,676	30,608
Office equipment	65,788	59,160	6,627	8,836
Machinery	157,812	147,460	10,352	20,704
Computer equipment	<u>358,058</u>	<u>272,174</u>	<u>85,885</u>	<u>103,398</u>
	\$ 834,810	566,312	268,498	307,600
	=====	=====	=====	=====

PRAIRIE WEST REGIONAL COLLEGE

Notes to Financial Statements

For the year ended June 30, 1999

5. Accounts Payable

Accounts payable are composed of the following:

	<u>1999</u>	<u>1998</u>
Saskatchewan Post-Secondary		
Education and Skills Training	\$ -	46,499
Government of Saskatchewan - Other	515	22,148
S.I.A.S.T.	4,279	117,917
Regional Colleges	551	2,503
Federal government	157	52,517
Other	<u>49,172</u>	<u>244,781</u>
	\$ 54,674	486,365
	*****	*****

6. Deferred Revenue

Deferred revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	<u>1999</u>	<u>1998</u>
Saskatchewan Post-Secondary		
Education and Skills Training	\$ 682,777	316,779
Federal Government	-	4,010
Other	<u>1,960</u>	<u>1,443</u>
	\$ 684,737	322,232
	*****	*****

7. Restrictions on Assets

The Board of Directors of Prairie West Regional College has placed internal restrictions on \$205,000 (1998 - \$205,000) of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. The following schedule details the internal restrictions and the individual amounts under each restriction:

	<u>1999</u>	<u>1998</u>
Capital purchases	\$ -	85,000
Education leave	-	45,000
Bargaining/Compensation	-	65,000
Special projects	-	10,000
Unspecified unforeseen events	<u>205,000</u>	<u>-</u>
	\$ 205,000	205,000
	*****	*****

PRAIRIE WEST REGIONAL COLLEGE

Notes to Financial Statements

For the year ended June 30, 1999

8. Budget Amounts

The budget was prepared by regional college management with Board approval given on May 31, 1998. Ministerial approval was received December 18, 1998.

9. Related Party Transactions

Included in these financial statements are revenue and expense amounts resulting from routine transactions with related parties. These transactions are conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which the College is related by virtue of its economic interest with the Government of Saskatchewan.

The College received payments from a related party, Saskatchewan Communications Network Corp. totalling \$ 86,000 (1998 - \$ 84,000).

The College brokered the following course sessions during the year:

	<u>1999</u>	<u>1998</u>
S.I.A.S.T.	\$ 386,450	384,810
	*****	*****

Payments to other related parties include:

Municipal Employees Pension Plan	\$ 43,297	33,486
Sask Power & Sask Energy	24,342	23,005
Sask Property Management Corp.	47,225	37,086
Sask Tel	57,426	53,142
University of Saskatchewan	<u>46,708</u>	<u>34,921</u>
	\$ 218,998	181,640
	*****	*****

Account balances from these transactions are included in the balance sheet and are settled on normal trade terms. Other transactions with related parties are disclosed elsewhere in these financial statements.

The College receives long distance telephone services from Sask Tel, a related party, at reduced rates available to government agencies.

PRAIRIE WEST REGIONAL COLLEGE

Notes to Financial Statements

For the year ended June 30, 1999

10. Financial Instruments

- (a) The carrying amount of cash, accounts receivable, accounts payable and accrued salaries and vacation payable approximates fair value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.
- (b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

11. Pensions

Employees of the College participate in one of two pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission. The College has no financial obligation to TSP. Eligible employees contribute to TSP for their current service. No matching contribution is made by the Board. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The college's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$43,297 (1998 - \$33,486).

12. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. The accounting system used by Prairie West Regional College is able to recognize the 2000 date when all four digits are entered and management feels, after testing, they are Year 2000 ready.

At this time, it is not possible to be certain that all aspects of the Year 2000 Issue affecting the College, including those related to the efforts of customers, suppliers, or other third parties, will be resolved.

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Revenues by Function
For the year ended June 30, 1999

Schedule 1

	Administration		Programming			Support Services			Totals	
	General Revenue	Non-Credit	Adult Basic Education	Vocational Technical	University Credit	Career Services	Student Services	1999	Budget	1998
Post-Secondary Education and Skills training										
Admin. Recovery	104,000	-	-	-	-	-	-	104,000	104,000	96,220
Base Grant	774,308	-	-	-	-	69,594	-	843,902	662,700	621,712
Outreach Fund	-	-	15,366	-	155,932	-	-	171,298	168,030	168,030
Program payments	-	-	179,739	512,595	-	392	-	692,726	514,585	407,323
Other	20,210	810	21,614	4,420	-	14,570	-	61,824	521,094	829,465
	<u>898,518</u>	<u>810</u>	<u>216,719</u>	<u>517,015</u>	<u>155,932</u>	<u>84,556</u>	<u>-</u>	<u>1,873,550</u>	<u>1,970,409</u>	<u>2,122,750</u>
Federal Government:										
Admin. Recovery	-	-	-	-	-	-	-	-	-	-
Seat Purchases	-	-	-	457,000	-	51,934	-	508,934	180,000	374,110
Projects	-	-	-	-	-	-	-	-	-	-
Other	-	21,861	18,210	-	-	-	-	40,071	12,000	28,687
	<u>-</u>	<u>21,861</u>	<u>18,210</u>	<u>457,000</u>	<u>-</u>	<u>51,934</u>	<u>-</u>	<u>549,005</u>	<u>192,000</u>	<u>402,797</u>
Other:										
Admin. Recovery	-	-	-	-	-	-	-	-	-	-
Contracts	88,978	65,758	32,473	17,697	825	-	-	205,731	100,000	169,211
Interest	57,967	-	-	-	-	-	-	57,967	15,000	33,558
Rents	2,097	1,710	-	-	-	-	-	3,807	2,000	3,466
Resale Items	648	43,162	1,641	50,062	5,610	20	-	101,143	56,250	68,791
Tuitions	-	159,962	3,029	254,345	-	18	-	417,354	507,458	299,223
Other	335	-	-	-	-	213	-	548	10,000	20,178
	<u>150,025</u>	<u>270,592</u>	<u>37,143</u>	<u>322,104</u>	<u>6,435</u>	<u>251</u>	<u>-</u>	<u>786,550</u>	<u>690,708</u>	<u>594,427</u>
Total revenue	1,048,543	293,263	272,072	1,296,119	162,367	136,741	-	3,209,105	2,853,117	3,119,974
Total expense (Schedule 2)	1,617,450	191,212	195,208	896,531	60,553	138,918	-	3,099,872	2,851,920	2,865,309
Excess (deficiency) of revenue over expenses	(568,907)	102,051	76,864	399,588	101,814	(2,177)	-	109,233	1,197	254,665

PRAIRIE WEST REGIONAL COLLEGE
Schedule of Operating Fund Expenses by Function
For the year ended June 30, 1999

Schedule 2

	General Administration				Programming			Support Services			Totals	
	Board	Adminis- trative	Organiz- ational	Commu- nity & In- dividual Develop.	Adult Basic Ed- ucation	Vocation- al Tech- nical	Univer- sity Credit	Career Services	Student Services	1999	Budget	1998
Contractual and												
Professional services	\$ -	35,272	7,748	99,110	39,977	560,523	48,133	19,841	-	810,604	869,329	1,076,823
Rentals	65	22,076	116,977	17,298	16,011	73,564	4,454	6,668	-	257,113	247,047	222,425
Repairs and maintenance	-	1,206	2,942	61	-	1,383	-	-	-	5,592	19,700	11,912
Operating (Schedule 3)	5,866	112,263	105,988	60,458	16,494	137,071	7,966	10,070	-	456,176	417,038	372,791
Personal services	15,417	393,163	798,467	16,285	122,726	123,990	-	102,339	-	1,570,387	1,298,806	1,181,358
Total expenditures	\$ 21,348	563,980	1,032,122	191,212	195,208	896,531	60,553	138,918	-	3,099,872	2,851,920	2,865,309

See accompanying notes to financial statements

PRAIRIE WEST REGIONAL COLLEGE

Schedule of Operating Expenditures

For the year ended June 30, 1999

Schedule 3

	<u>1999</u>	<u>1998</u>
Operating Expenses		
Advertising	\$ 32,466	20,186
Association Fees and Dues	6,909	6,900
Bad Debts	3,752	647
Bank Charges and Interest	1,297	1,094
Computer Software	3,604	6,513
Equipment Purchases (u. \$500)	10,451	28,207
Conference and Training fees	16,513	14,240
Insurance	8,850	8,451
Materials and Supplies	89,702	59,902
Postal, Freight and Courier	22,514	13,650
Printing and Duplicating	16,255	13,107
Resale Items	102,744	75,352
Subscriptions	3,801	728
Telephone and Fax	57,169	53,142
Travel	49,033	39,862
Utilities	24,779	23,005
Other	<u>6,337</u>	<u>7,805</u>
Total	\$ 456,176	372,791
	=====	=====

See accompanying notes to financial statements

**Prairie West Regional College
Supplier Payments and Personal Services Listing
for the year ended June 30, 1999
"Unaudited"**

This listing details the present payments made by the College in its 1998-99 fiscal year. Specifically it details the following:

- A listing of payees who received 20,000 or more for the provision of goods and services including office supplies, advertising and equipment.
- A listing of individuals who received payments for salaries, wages, honorariums, etc., which total \$2500 or more.

Receiver General for Canada	\$ 434,251
SIAS - Woodland Campus	125,047
SIAS - Palliser Campus	118,321
SIAS - Kelsey Campus	89,048
Municipal Employees Pension Plan	86,563
Wayne Bright Computer Support	59,617
Sask Tel	57,426
SIAS - Wascana Campus	54,034
Sask. Property Management Corp.	47,225
University of Saskatchewan	46,708
McKenzie Financial	44,500
Western Sales	38,046
Maritime Life	38,000
Eagle Lake Farms	37,684
Grand and Toy	29,905
Quadra Group	23,736
Rosetown & District Civic Centre	22,770
Payroll - Personal Services	
Probert, Bruce	75,945
Box, Jay	61,184
Roth, Dara	32,719
Busby, Cheryl	24,104
In-Scope Employees	1,198,755
Employee Remuneration less than \$2500	34,252
Related Employee Benefits	152,282
Salary Adjustments (change in vacation pay liability provision & salary recovery from SGE)	(8,854)
Payees under \$20,000	176,624
	 \$ 3,099,672